

To the Members of the California State Assembly:

I am returning Assembly Bill 98 without my signature.

I have vetoed similar bills twice before. The addition of this mandate must be considered in the larger context of how it will increase the overall cost of health care. This, like other mandates, only increases premiums in an environment in which health coverage is increasingly expensive.

Maternity coverage is offered and available in today's individual insurance market. Consumers can choose whether they want to purchase this type of coverage, and the pricing is reflective of that choice. While the perfect world would allow for all health conditions to be covered, including maternity, I cannot allow the perfect to become the enemy of the good. There is a reason the individual insurance market regulated by the Department of Insurance is growing – consumers are choosing policies they can afford.

Essentially, I am faced with choosing between covering fewer people, but with better coverage – or allowing more people to buy a policy that offers reduced benefits at a lower cost. It is not an easy choice. However, because I continue to have serious concerns about the rising costs of healthcare and believe the potential benefits of a mandate of this magnitude will translate to fewer individuals being able to afford coverage, I cannot support this bill.

Sincerely,

Arnold Schwarzenegger